

THE DEPARTMENT OF ENERGY
Office of Public Affairs

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For Immediate Release: Friday, August 19, 2011

**Department of Energy Offers Abengoa Bioenergy a Conditional
Commitment for a \$133.9 Million Loan Guarantee**

*Groundbreaking Cellulosic Ethanol Project Expected to Create Over 300 Jobs and Build
Nation's Capacity for Cellulosic Ethanol Production*

Washington D.C. – U.S. Energy Secretary Steven Chu today announced the offer of a conditional commitment for a \$133.9 million loan guarantee to Abengoa Bioenergy Biomass of Kansas LLC (ABBK) to support the development of a commercial-scale cellulosic ethanol plant. ABBK's parent company and project sponsor, Abengoa Bioenergy US Holding, Inc., estimates the project will create approximately 300 construction jobs and 65 permanent jobs. The project will be located in Hugoton, Kansas, about 90 miles southwest of Dodge City, Kansas.

"This project is part of the Administration's commitment to expand our advanced domestic biofuels industry," said Secretary Chu. "Investments like these will create jobs and decrease the nation's dependency on oil by using a sustainable, home-grown transportation fuel that will help reduce greenhouse gas emissions."

The Abengoa Bioenergy project is expected to convert approximately 300,000 tons of corn stover (stalks and leaves) into approximately 23 million gallons of ethanol per year using an innovative enzymatic hydrolysis process. The project maximizes the use of agricultural crop residues that would otherwise not be utilized and uses feedstock that does not compete with feed grains. Annually, the project is expected to displace over 15.5 million gallons of gasoline, which will avoid over 139,000 tons of carbon dioxide emissions. The facility will be self sufficient, using unconverted biomass to generate 20 megawatts of electricity to power the cellulosic ethanol plant. ABBK has entered into an ethanol offtake agreement to sell ethanol produced by the facility and expects more than 90 percent of the project's sourced components to be produced in the U.S.

The Department of Energy's Loan Programs Office (LPO) administers three separate programs: the Title XVII Section 1703 and Section 1705 loan guarantee programs, and the Advanced Technology Vehicles Manufacturing (ATVM) loan program. The loan guarantee programs support the deployment of commercial and innovative technologies that avoid, reduce, or sequester greenhouse gas emissions, while ATVM supports the development of advanced vehicle technologies. To date, LPO has issued loans, loan guarantees or offered conditional commitments for loan guarantees totaling nearly \$40 billion to support 42 clean energy projects across the U.S. DOE has issued conditional commitments or loan guarantees to support numerous projects, including several of the world's largest solar generation facilities, three

geothermal projects, the world's largest wind farm, and the nation's first new nuclear power plant in three decades. For more information, please visit <http://www.lpo.energy.gov>.

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